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SIPDIS

SENSITIVE

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SUBJECT: POST-GLOBAL FUND HIV/AIDS OPTIONS IN BURMA

REF: RANGOON 974

1. (U) SUMMARY: The UK's Department for International Development (DFID) has contracted a consultant to meet with donors and key players to identify viable options to help fill the void created by the termination of the Global Fund (GF) in Burma. Many donors wish to replace the Fund for HIV/AIDS in Myanmar (FHAM), which is partnered with the GOB, with a new mechanism that also addresses tuberculosis (TB) and malaria. There seems to be general feeling among aid professionals that the UNDP and UNAIDS are not suitable agencies to manage a new mechanism. The GOB apparently does not object to the concept of implementing the program through a "commercial contract." There is also strong consensus among all donors that the GOB must relax its current tight restrictions on expatriates to allow work at project sites in the field. END SUMMARY.

SEARCHING FOR COMMON GROUND

2. (U) The British Embassy invited representatives from selected Rangoon embassies to a briefing on October 19 by Paul Thornton, Director of Verulam Associates, Ltd., a UK consulting firm that specializes in institutional and organizational change management. DFID hired this firm to meet with donors, UN agencies, International NGOs (INGOs), NGOs, medical professionals, and the GOB to review possible options to fill the gap left by the recent termination of the GF in Burma (reftel). At the end of the review, the firm will present an "options paper" to DFID and UNDP on possible new mechanisms to address HIV/AIDS, TB, and malaria in Burma.

3. (U) Thornton met with donors in Bangkok before traveling to Rangoon. He said the donors there -- which included DFID and the EU, Swedish, Norwegian, and Netherlands embassies -- supported a united, collaborative effort and were against a fragmented approach. They want to address all three diseases with one organization and to keep the mechanism simple. The donors want to replace the Fund for HIV/AIDS in Myanmar (FHAM), which is due to expire in June 2006, with a new mechanism.

4. (U) In his meetings with INGOs in Burma, Thornton found them "surprisingly rigid." They were critical of both the GOB and UN agencies. They felt that the GOB lacked technical capacity and imposed too many restrictions and felt that the UN should not have tried to both monitor and disburse funds for the GF. Thornton believed there was consensus (both among INGOs and with the GOB) that neither the UNDP nor UNAIDS should be the coordinating agency for the new mechanism. He said there are a couple of other UN agencies that could be acceptable to the GOB. (Note: The consultant would not name the two agencies, but the only other UN offices in Burma who could conceivably take a leading role are UNICEF and WHO. End Note.) The GOB also indicated a willingness to consider the option of a "commercial contract" with a private agency to deliver services to the Burmese people for all three diseases.

EMBASSIES SPEAK UP

5. (SBU) Several of the embassy representatives at the Rangoon session commented during the briefing.

-- U.S.: Poloff reported that USAID funding for Burma was unaffected by the GF decision and that the United States is continuing to provide \$2 million, primarily through Population Services International, for HIV/AIDS projects that are wholly independent of the GOB and government-linked NGOs. Several embassy representatives were surprised to learn that USAID is funding ongoing HIV/AIDS activities in Burma.

-- Japan: The representative from Japanese International Cooperation Agency (JICA) expressed Japan's willingness to participate in the new structure if a good mechanism is proposed. He said that his government has no reservations about providing funding directly to the GOB.

-- Australia: The Australian embassy representative for AusAID said that Australia feels safeguards against providing funds to the GOB and government-linked NGOs need to be

"sensible." Australia does not feel bound by the EU's position that it is necessary to obtain prior approval from the opposition NLD party before implementing new programs in Burma. Australia noted that they would continue to focus on HIV/AIDS, as they do not have strong domestic funding support for TB or malaria.

-- Thailand: Thailand prefers to deal with Burma on a bilateral rather than multilateral basis. The Thais plan to help build the capacity of Burmese health personnel by taking them to Thailand for training courses in the relevant diseases, rather than joining an inter-regional program.

HAVE ACCESS, WILL TRAVEL

16. (U) Restrictions by the GOB on access to project sites were also discussed. Thornton said that UNDP Resident Coordinator Charles Petrie had noticed an almost immediate easing in travel restrictions on UN agencies after the demise of GF, indicating that the GOB felt pressure to make concessions in response to the GF decision. Thornton also said that the INGOs have asked the GOB, through the Ministry of Health (MOH), to permit their expatriates to live in the field for periods of up to one full year, instead of the occasional two-week visits that are currently allowed. The GOB has not yet responded to the request. The JICA representative noted that the MOH has said the current travel restrictions are only "temporary," but commented that "temporary" could mean up to 3 to 4 years.

17. (U) COMMENT: We shall try to get a copy of the British Embassy's "options paper" that results from this consultancy and will report further developments as they occur. Post will also continue to provide insight on any new proposals for combating HIV-AIDS, TB, and malaria in Burma. We will also continue to remind other embassies, INGOs, and others involved in this issue about the need to ensure that funding is spent solely on fighting these diseases rather than enriching the GOB's coffers or those of its subsidiaries.  
END COMMENT.  
STOLTZ